

HEARING ON MENTAL HEALTH PARITY
STATEMENT OF SENATOR CHRISTOPHER J. DODD

July 11, 2001

Mr. Chairman: Thank you for convening a hearing on the critical issue of insurance coverage parity for mental health services. I would also like to thank Senators Domenici and Wellstone for their tireless efforts on behalf of the mental health community.

Millions of Americans are affected by mental illness. Each year, more than 50 million American adults will suffer from a mental disorder. All of us know a friend, a relative, a neighbor, a colleague whose life has been touched by mental illness B either their own or the illness of a loved one. Yet despite the compelling need, under many health plans, mental health benefits are much more limited than benefits for medical or surgical care. Even though a range of effective treatments exist for almost all mental disorders, those suffering from mental illness often face increased barriers to care and the stigma that underlies discriminatory practices in how we treat mental illness. And these are the individuals that have insurance. It can only be worse for those without insurance.

At our hearing last year, the General Accounting Office reported that

14% of employers were not compliant with the law Congress passed in 1996 prohibiting plans from setting more restrictive annual and lifetime dollar limits for mental health care than for physical care. Of those employers who *were* compliant, 87% adopted at least one more restrictive provision for mental health benefits after the law was enacted. Some employers, for example, limited the number of mental health outpatient visits or implemented higher co-payment requirements for mental health care to offset what they inaccurately predicted would be soaring costs.

Recognizing the need for more comprehensive protections, Senators Wellstone and Domenici have introduced a groundbreaking bill that would expand the original law to include full parity not only for mental health dollar limits, but for hospital and outpatient visits and cost-sharing requirements. I applaud my colleagues for their commitment to ensuring full parity in the coverage of mental health benefits. And as a cosponsor of both the 1996 Mental Health Parity Act and the pending legislation, I share their concerns that mental health care **MUST** not take a backseat to other health conditions.

Opponents of mental health parity laws argue that the parity laws will raise health insurance costs. But we have heard from the Congressional Budget Office and the General Accounting Office that the cost of this law is

negligible B contributing less than a 1% increase to health care costs. And if we are going to talk about costs, let's talk about the staggering societal costs to leaving mental illness untreated. When mental illness goes untreated physical health deteriorates, jobs are lost and families are destroyed. The National Institutes of Mental Health estimates that the annual cost of untreated mental illness exceeds \$300 billion. It just makes good economic sense to provide equal coverage for all illnesses B including illnesses of the brain.

My own state of Connecticut has recognized the fundamental fairness of treating mental health services equal to those for physical health. We have a state law that exceeds our federal parity laws -- requiring mandated mental health benefits and parity in all respects B dollar limits, services, and cost sharing.

However, because ERISA limits the ability of states to regulate self-funded employer health plans, 41% of Connecticut residents are left out of the state protections. Therefore, federal legislation is desperately needed.

We must renew our commitment to focus on the issue of children with mental illness B the most vulnerable of the mentally ill. 5-10% of children have serious mental disorders, but the U.S. Surgeon General estimated in a landmark report that as many as 80% of these kids go untreated.

Inadequate treatment for children with mental illness has led to tragic consequences, such as a dramatic increase in adolescent suicide and the high-profile cases of school violence we have seen. Suicide is now the 3rd leading cause of death among teenagers -- more teenagers and young adults die from suicide than from cancer, heart disease, AIDS, birth defects, pneumonia, flu, chronic lung disease combined. In my own state, a recent study classified 49% of high school juniors and seniors as contemplating suicide. These numbers are terrifying. And I fear that we are not reaching enough of our kids with proper treatment. 90% of suicide victims have at least one treatable psychiatric illness at the time of death. I intend on holding a hearing on this issue in the Subcommittee on Children and Families and exploring legislative remedies to address this public health crisis.

A key barrier to treatment is the lack of insurance coverage. It is difficult for families to obtain services for children because of co-payments that are higher for behavioral services than for other medical services or more limited yearly and lifetime dollar caps. Also, health plans often do not provide adequate panels of clinicians who are qualified to address pediatric mental illness. And on Monday, we read in the New York Times about a dramatic lack of treatment options and resources for mentally ill children

outside of the hospital setting.

It is my hope that through a coordinated effort, we will begin to change the way health care providers, insurers, and society in general, view mental illness. It is my hope that through legislation such as that introduced by Senators Wellstone and Domenici, we can foster an understanding of what mental illness is not B a character flaw or stigmatizing condition B and what it is B a cluster of diseases in an organ of the body that is treatable, just like any other physical illness. Ensuring mental health parity is an important step towards reducing the stigma associated with mental illnesses and increasing the understanding that mental illness is preventable and treatable, just like physical illness.

Mr. Chairman, I thank you again for holding this hearing. I look forward to working with you and other members of the Committee as we work to address this critical public health issue.